

Amendments to the Claims:

This listing of claims will replace all prior version, and listings, of claims in the application:

Listing of Claims:

We Claim:

1. (cancelled).
2. (cancelled).
3. (cancelled).
4. (currently amended) A method of settling a micropayment transaction conducted between a consumer and a merchant using a prepaid instrument presented by a consumer, the method comprising the steps of:

receiving a request from the merchant to authorize a proposed micropayment transaction for a first value to be settled against the prepaid instrument;

processing the request;

responding to the request with an authorization decision; and

dispositioning the proposed micropayment transaction based on value units associated with a specific merchant ID, a monetary conversion rate for the value units, and a commission due the merchant for selling the value units.

5. (original) The method of claim 4, wherein the step of receiving a request includes receiving data including at least a prepaid instrument number and a PIN associated with the prepaid instrument.
6. (original) The method of claim 4, wherein the step of receiving a request includes receiving a request to authorize a proposed micropayment transaction for a first value to be settled against a prepaid calling card.
7. (original) The method of claim 4, wherein the step of processing the request includes accessing a database to retrieve the value remaining parameter, using the data from the prepaid instrument as an index into the database, and comparing the value provided by the merchant to

the value remaining parameter to determine whether to authorize the micropayment transaction for settlement.

8. (original) The method of claim 4, wherein the step of processing includes determining that the value remaining parameter is sufficient to authorize the micropayment transaction for settlement.

9. (original) The method of claim 4, wherein the step of responding includes one of authorizing the proposed micropayment transaction for settlement and declining the proposed micropayment transaction for settlement.

10. (original) The method of claim 4, wherein the step of dispositioning the micropayment transaction includes decrementing the value remaining parameter according to the first value, and transferring a payment to the merchant to settle the micropayment transaction.

11. (original) The method of claim 4, wherein the step of processing includes determining that the value remaining parameter is insufficient to authorize the micropayment transaction for settlement.

12. (original) The method of claim 4, wherein the step of dispositioning the micropayment transaction includes terminating the micropayment transaction.

13. (original) The method of claim 11, wherein the step of dispositioning the micropayment transaction includes, after the micropayment transaction has been declined for settlement, enabling the consumer to perform one of: increasing the value remaining parameter, and purchasing a second prepaid instrument having a second value remaining parameter greater than the first value.

14. (original) The method of claim 13, wherein the step of enabling is performed by software hosted on a merchant website.

15. (original) The method of claim 13, wherein the step of enabling is performed by software hosted by a settlement clearinghouse.

16. (original) The method of claim 13, further comprising the step of receiving a second request from the merchant to authorize the micropayment transaction.

17. (original) The method of claim 16, wherein the step of receiving a second request from the merchant is performed after the value remaining parameter has been increased.
18. (original) The method of claim 16, wherein the step of receiving a second request from the merchant is performed after the second prepaid instrument has been purchased.
19. (original) The method of claim 4, wherein the step of comparing includes exchanging between a unit of value used to conduct the micropayment transaction and a unit of value associated with the prepaid instrument.
20. (original) The method of claim 19, wherein the step of exchanging includes converting between units of time and units of monetary currency.
21. (original) The method of claim 19, wherein the step of exchanging includes converting between two different units of monetary currency.
22. (original) The method of claim 4, wherein the steps of comparing and responding are performed in real time.
23. (original) The method of claim 10, wherein the step of transferring a payment includes originating the payment to the merchant from an issuing entity that issued the prepaid instrument to the consumer.
24. (original) The method of claim 23, wherein the step of originating the payment includes transferring the payment from the issuing entity directly to the merchant.
25. (original) The method of claim 23, wherein the step of originating the payment includes transferring the payment from the issuing entity indirectly to the merchant through at least one intermediary.
26. (original) The method of claim 23, wherein the step of transferring a payment includes aggregating multiple micropayment transactions involving prepaid instruments issued by a given instrument issuer into a composite settlement transaction to be settled against the given instrument issuer.
27. (original) The method of claim 23, wherein the step of transferring a payment includes aggregating multiple micropayment transactions involving prepaid instruments issued by a given

instrument issuer and involving a given merchant into a composite settlement transaction to be settled against the given instrument issuer to the given merchant.

28. (original) The method of claim 4, further comprising the step of receiving from the merchant a request to increment the value remaining parameter.

29. (original) The method of claim 28, wherein the step of receiving the request to increment results from a consumer transaction conducted on a website associated with the merchant.

30. (original) The method of claim 28, wherein the step of receiving the request to increment occurs in response to a consumer transaction conducted on a website associated with the merchant, the website hosting a gaming application, and the request to increase resulting from the consumer transacting with the gaming application and achieving a score that reaches a predetermined threshold.

31. (original) The method of claim 4, further comprising the step of activating the prepaid instrument in response to an activation command from a prepaid instrument issuer.

32. (original) The method of claim 31, wherein the step of activating the prepaid instrument enables the prepaid instrument to be used both for placing telephone calls and for conducting micropayment transactions with merchants.

33. (original) The method of claim 32, wherein the step of activating is performed after the consumer acquires the prepaid instrument for one of: a cash payment, a credit card charge, a paper check payment, an electronic check payment, and for no charge.

34. (original) The method of claim 4, further comprising the step of incrementing the value remaining parameter in response to a recharge transaction executed by the consumer using one of: a cash payment, a credit card charge, a paper check payment, an electronic check payment, and for no charge.

35. (original) The method of claim 4, further comprising the step of validating a type of prepaid instrument presented by the consumer against the type of micropayment transaction sought by the consumer.

36. (currently amended) A program storage device readable by a machine, tangibly embodying a program of instructions executable by the machine to perform method steps for settling a micropayment transaction conducted between a consumer and a merchant using a prepaid instrument presented by the consumer, the method steps comprising:

receiving a request from the merchant to authorize a proposed micropayment transaction for a first value;

comparing the first value to a value remaining parameter associated with the prepaid instrument;

responding to the request with an authorization decision; and

dispositioning the proposed micropayment transaction based on value units associated with a specific merchant ID, a monetary conversion rate for the value units, and a commission due the merchant for selling the value units.

37. (cancelled).